GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE INSPECTOR GENERAL

Audit of the
Unemployment Benefit System,
the District's On-Line Compensation System
within the Department of Employment Services

★ ★ ★

CHARLES C. MADDOX, ESQ.
INSPECTOR GENERAL

OIG No. 01-1-21-CF   September 17, 2001

Inspector General

★ ★ ★

September 17, 2001

Gregory P. Irish
Director
Department of Employment Services
77 P Street, N.E., Suite 3100
Washington, D.C. 20001

Dear Mr. Irish

Enclosed is the final report on the audit of the Unemployment Benefit System, the District's On-Line Compensation System within the Department of Employment Services (OIG No. 01-1-21-CF). The audit was conducted by contract under the purview of the Office of the Inspector General. The report discloses various weaknesses that resulted in inefficient and ineffective operations that impeded compliance with applicable laws and regulations. Specifically, the report notes that:
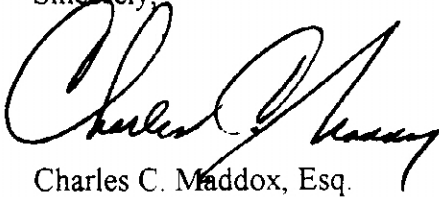
1. The on-line compensation system is technologically outdated for the current environment. Specifications that were current when the system was designed in 1993 were outdated by the time the system was implemented in 1999.

2. DOES has not implemented adequate system security and controls. For example, the identification codes of employees who process claims are not tied in to their user identification codes and passwords. Therefore, the possibility exists that a claim being processed by one employee could be improperly adjusted or changed by another employee.

3. DOES is not adequately monitoring the work of contractors who help administer the unemployment benefit system.

DOES's comments (Appendix B) to the report are generally responsive to the intent of the recommendations. Although DOES did not agree with recommendation 1, DOES has taken action to correct the defiencency noted in the recommendation. Therefore, we consider this recommendation to be resolved.

Should you have questions regarding this report, please contact me or William J. DiVello,
Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,

Charles C. Maddox, Esq.
Inspector General

CM/ws

Enclosure

DISTRIBUTION:

The Honorable Anthony A. Williams, Mayor, District of Columbia (1 copy)
Mr. John A. Koskinen, Deputy Mayor and City Administrator (1 copy)
Mr. Kelvin Robinson, Chief of Staff, Executive Office of the Mayor (3 copies)
Ms. Germonique Jones, Staff, Mayor's Press Office (1 copy)
Mr. Tony Bullock, Interim Director, Office of Communications (1 copy)
The Honorable Alice M. Rivlin, Chairman, DCFRA (1 copy)
Mr. Francis Smith, Executive Director, DCFRA (1 copy)
Mr. Johnnie Hemphill, Chief of Staff, DCFRA (5 copies)
The Honorable Linda W. Cropp, Chairman, Council of the District of Columbia (1 copy)
Ms. Phyllis Jones, Secretary to the Council (13 copies)
The Honorable Vincent B. Orange, Sr., Chairperson, Committee on Government Operations,
    Council of the District of Columbia (1 copy)
Dr. Natwar M. Gandhi, Chief Financial Officer (4 copies)
Ms. Deborah K. Nichols, D.C. Auditor (1 copy)
Mr. Jeffrey C. Steinhoff, Managing Director, Financial Management and Assurance, GAO (1 copy)
Ms. Jeanette M. Franzel, Acting Director, FMA, GAO (1 copy)
The Honorable Eleanor Holmes Norton, D.C. Delegate, House of Representatives (1 copy)
Mr. Jon Bouker, Office of the Honorable Eleanor Holmes Norton (1 copy)
The Honorable Joe Knollenberg, Chairman, House Subcommittee on D.C. Appropriations
    (1 copy)
Mr. Jeff Onizuk, Legislative Director, House Subcommittee on D.C. Appropriations (1 copy)
Mr. Migo Miconi, Staff Director, House Subcommittee on D.C. Appropriations (1 copy)
The Honorable Chaka Fattah, House Committee on D. C. Appropriations (1 copy)
Mr. Tom Forhan, Minority Staff Director, Office of the Honorable Chaka Fattah (1 copy)
The Honorable Connie Morella, Chairman, House Subcommittee on D.C. Government
    Reform (1 copy)
Mr. Russell Smith, Staff Director, House Subcommittee on D.C. Government Reform (1 copy)
Mr. Mason Alinger, Professional Staff Member, Senate Subcommittee on D.C. Government
    Oversight (1 copy)
The Honorable Richard Durbin, Chairman, Senate Subcommittee on D.C. Government
    Oversight (1 copy)
Ms. Marianne Upton, Staff Director, Senate Subcommittee on D.C. Government Oversight
    (1 copy)
The Honorable Mary Landrieu, Chairman, Senate Subcommittee on D.C. Appropriations
    (1 copy)
Ms. Kate Eltrich, Staff Director, Senate Subcommittee on D.C. Appropriations (1 copy)
Mr. Stan Skocki, Legislative Assistant, Senate Subcommittee on D.C. Appropriations (1 copy)
Mr. Charles Kieffer, Clerk, Senate Subcommittee on D.C. Appropriations (1 copy)

Table of Contents

EXECUTIVE SUMMARY

Introduction	The District of Columbia Office of the Inspector General (OIG) contracted Williams, Adley & Company, LLP (WA&Co) to provide professional services in the areas of financial, operational, and compliance reviews of selected functional areas within the Department of Employment Services (DOES), as well as a detailed performance review of the agency. One of the functional areas reviewed was the Unemployment Benefit System, the District's On-line Compensation System (DOCS) within the Department of Employment Services, Office of Unemployment Compensation Program (DOES-OUC).

The overall objectives of our review were to determine:
(1) whether a clear set of programming standards exist and are properly followed for the development and modification of DOCS; and (2) whether DOCS adequately meets the District's requirements for efficient and effective operations. This report presents the results of our review performed during the period March 2000 through April 2001. A separate report has been issued for each of the other functional areas reviewed.

Results in Brief	During the review of DOCS, we identified the following deficiencies:

1. The system is outdated for the current environment. For example, features such as graphical user interface, real-time updating, pull-down menus and interactive help screens that make for efficient operations are not available.

2. The system's security and control features are inadequate. For example, claims processor identification does not tie-in with their user identification and password at the operating level. The claim processors' identification is predetermined by the administrator at the application level.

3. DOES does not provide adequate oversight over contractor services. For example, we noted a significant reliance on contractors without an efficient in-house technical capability to monitor contractor services.

Implementing procedures to correct the above noted deficiencies will significantly improve the Program efficiency and effectiveness and significantly reduce the potential for waste, fraud and abuse.

Summary of Recommendations

The DOES director should immediately implement the following recommendations:

1. Develop policies and procedures to continually assess the business requirements of the Unemployment Compensation Program and modify DOCS to meet the current environment. This will ensure system efficiency and effectiveness in service delivery.

2. Review the system's security and control features to ensure that the features are adequate.

3. Develop an in-house technical team to provide oversight and monitoring of contractor activities.

Summary of Management's Comments

The Director of DOES concurred with findings #2 and #3. He indicated that the Department has either implemented or developed a plan to implement the recommendations related to those findings. He disagreed with finding #1 because, in his opinion, the cost to implement the recommendations would be cost prohibitive for the District. However, he indicated that some of the recommendations have been implemented and funding to implement the other recommendations are being sought from the U.S. Department of Labor and other sources.

Full text of Management's response to the findings and recommendation is attached to this report as Appendix B.

Evaluation of Management's Comments

We commend DOES efforts to implement many of the recommendations noted. We recommend that the Department continue its ongoing efforts to secure additional funding to implement the other recommendations in a timely manner.

We recommend that the Office of the Inspector General perform a follow-up review to ensure recommendations are implemented and new controls are put in place by DOES to improve efficiency and effectiveness of the DOCS.

Our evaluation of the Management's comments on each of the findings and recommendations are listed as Appendix A.

INTRODUCTION

Background

DOES-OUC's functional responsibility is to administer the Program in accordance with the Unemployment Compensation Act of 1935, as amended.

The provisions of Unemployment Compensation are provided by the District of Columbia Unemployment Compensation Act, as codified at D.C. Code §§46-101 thru §§46-128 (1999 Supp.). The program was established to provide unemployment compensation to full and part-time workers who are unemployed through no fault of their own, and who are ready, able and willing to work. The program pays benefits to unemployed former employees of the District and federal governments, the United States military, and private employers conducting business in the District. In addition, the program makes payments to other states for benefits paid to unemployed former employees of the District who now reside in those states, and receives payments from states whose unemployed former residents now reside in the District. The Unemployment Insurance Program (UI) is administered by the Department of Employment Services (DOES) through the Office of Unemployment Compensation Program (OUC).

Williams, Adley & Company, LLP has been requested by the OIG under Contract No. OIG-9801-WMAC-AUD to provide professional services in the areas of financial, operational, and compliance reviews of selected functional areas within DOES, as well as a detailed performance review of the agency. This report addresses the findings and recommendations related to the review of the District On-line Compensation System (DOCS). A separate report is issued for each of the other functional areas reviewed under the aforementioned contract.

Objectives, Scope, and Methodology

The objectives of our work were to determine: (1) whether a clear set of programming standards exist and are properly followed for the development and modification of DOCS; and (2) whether DOCS adequately meet the District's requirements for efficient and effective operations.

We reviewed applicable laws, policies, procedures, and pertinent documents. We interviewed responsible DOES-OUC officials to obtain information about the DOCS. We reviewed documentation relating to the design, development, and implementation of modifications on the DOCS to meet the

District's requirements. This included testing the system from the functional level to ensure that the core requirements have been met. In addition, we reviewed existing programming standards and the pertinent documentation to ensure standards were being followed. We reviewed documentation for program analysis, program design, program walk through and implementation to determine whether appropriate Customer Information Control System (CICS) developmental standards are in place and whether programming standards are being followed and are well documented.

After obtaining our understanding of the Unemployment Insurance Process, we documented the DOES process for the applicable design development and implementation. We reviewed the Request For Proposal (RFP) soliciting vendors to provide programming services and identified key requirements requested by DOES. We obtained and reviewed business and functional requirements from similar jurisdictions and documented best practices. We obtained Department of Labor (DOL) performance measures and mapped them to the various functional requirements. We tested the system for functionality, and obtained applicable programming standards for developing the Unemployment Insurance Benefit System. We also obtained, and reviewed, personnel programming documentation, standards, and procedures from appropriate personnel used for programming development. We reviewed documentation to ensure compliance with standards such as program overview, COPY members (COBOL execute command), print charts, screen layout, and screen flow diagrams.

Our review was performed from March 2000 through December 2000 utilizing agreed upon procedures. The procedures were performed in accordance with generally accepted government auditing standards and included such tests as considered necessary to fulfill objectives of the review plan. We discussed our conclusions and observations with appropriate management officials and included their comments, where appropriate.

REVIEW RESULTS

Review Findings

During our review, we noted many weaknesses that impede the achievement of efficiency, effectiveness, and compliance with applicable laws and regulations in the Program. The primary problems we noted were: (1) the system is outdated for the current environment; (2) the system's security and control features are inadequate; and (3) DOES provides inadequate oversight over contractor services.

System Outdated for
Current Environment

Development of the Unemployment Insurance Benefits system started in 1994 based on an RFP dated November 1, 1993. Business requirements that existed seven years ago have evolved due to the technological revolution. However, these changes are not reflected in the system currently in use. In effect, a 1993 system was implemented in October of 1999.

Visual and processing features such as graphical user interface[1] (GUI), real-time updating, pull-down menus and interactive help screens make the use of systems more user friendly, efficient, effective and reliable. These features are absent in the UI system (DOCS). The screen layouts are the flat text format, which rely on keyboard functions for data entry and navigation.

DOES should have reassessed its business requirements when delays and interruptions were experienced. The system requirements should have been modified to suit the current business environment. As a result of the failure to reassess business requirements and modify the system, the system does not display information to promote efficiency, effectiveness and user friendliness common to such technology. A GUI will also promote efficiency and user friendliness. For example, the Optical Character Recognition (OCR) technology intended in 1992 is not the OCR technology (best practices) in 1999.

---

[1] A graphics-based user interface that incorporates icons, pull-down menus and a mouse, such as those found in Macintosh, Windows, OS/2 Presentation Manager and GEM environments.

We also found that the current system does not have any on-line help features. These features are necessary to provide interactive guidance to claimants and claim-takers. For example, if claim-takers misinterpret the laws, regulations and procedures, easily accessible and usable guidelines on the on-line help features would become very useful. It would be more time consuming to research off-line reference materials, which may lead to a slow-down in service delivery time. Another example would be the ability of the claimants to use the on-line help features to complete an application and obtain information on services and outstanding claims. The system also does not have imaging technology that provides the ability to scan information on paper into the system without manually entering data. Imaging technology reduces errors associated with data entry and minimizes processing time. Claim-takers can operate more effectively because more time can be allocated to reviewing clams and interacting with customers.

The system is not designed with internet capabilities to enable claimants to access the system and to submit applications on-line. Customers should be able to track the status of their claims via the internet, thereby reducing visits to the office. Typically, a claimant should be able to access the DOCS system from the local library to obtain information and an application. Additionally, internet-based application processing will mean a 24-hour application submission system, thus creating operational efficiency. Ideally, since ownership and availability of computers are a growing phenomenon, customers and claim-takers should have the option of interacting with the benefit system on-line.

DOCS did not have the capability to reference prior claims in order to develop claimant history and analyses. We noted that the data maintained by the old system was not transferred to DOCS. The claimant information in DOCS reflects only the data that has been entered into DOCS since its implementation in 1999.

Best practices require a conversion and transfer of previous data into the current system to enable data analysis, data mining, decision-making and trend recognition for service delivery and reporting. This feature is available for all functions, however, only current data can be referenced in DOCS. The effect is that DOES will not be able to analyze trends and patterns for decision-making purposes.

According to management, a cost/benefit assessment that was conducted resulted in the decision not to transfer previous data into DOCS.

System Security and Control Features are Inadequate

Claim-taker's ID do not tie in with the user ID and password at the operating system level. The claim-taker's ID is predetermined by the system administrator at the application level and not at the remote access control function (RACF) level. Since the user ID for the application is not linked to the password for authentication, anyone using the application can use any predetermined claim-taker's ID to effect a transaction. This exposes the application to transactions without an adequate audit trail. Best practices require the user ID, password and claim-taker's ID to match in order to authenticate the claim-taker effecting a transaction and in order to provide an adequate audit trail.

The existing design of data entry input screen feature results in data entry inefficiencies and the likelihood of erroneous entries. We noted during our application testing that data fields are populated in a sequentially predetermined order. As a result, the claim-taker has to make several strokes to reach the field requiring an update. This is a time consuming process and may create the potential for fields being erroneously updated as the cursor travels across each field.

Certain fields do not contain the required log features. For example, logic could be built in the age field to flag age entries of less than 18, or more than 65 years. Claim-takers have to move the cursor through a field that is non-applicable by default. Cursor scroll-over non-applicable fields will reduce the number of entries and frequency of errors. For example, in screen B-1 Field 26 – Severance Pay, a "NO" in the field should automatically roll-over to Field 28.

We noted that the screen for data entry did not contain certain control features to minimize data entry errors. For example, the *"Zip code"* field should be linked with *"Wards"* field in the B-1 screen to ensure that the appropriate ward corresponds to the claimant's address. Also, the screen *B-1, Local field office,* should be linked with the relevant zip code and ward.

The *Field 41 ERP Interval*, which contains the expected date for re-employment should be a mandatory field to prompt the claim-taker when the ERP date expires.

Contractor Activities are not monitored	The unemployment benefit system as currently administered relies heavily on outside contractors. The OUC does not have adequate in-house technical support to manage and maintain the system. There is no adequate information management organization structure or adequate technical resources to assume the support of functions for the system. Therefore, contractor activities were not monitored.
	Specifically, there is a shortage of technical staff within DOES to monitor contractor activities and provide in-house technical, risk assessment, and management support. For example, there was no assessment review performed upon installation of the system due to the lack of in-house technical staff to perform or adequately supervise the review. This review was necessary to ensure that all required features, as indicated in the specification/contract, were installed and functioning as indicated. Our review of the system indicated that services such as on-line help features and imaging, which were indicated on the specification, were not installed. We also noted that the quality of services provided was not monitored and reviewed.
Conclusion	Based on the results of our review of DOCS, we identified the following deficiencies:

1. The system is outdated for the current environment. For example, features such as graphical user interface, mouse driven technology, real-time updating, pull-down menus and interactive help screens allow more efficient operations are not available.

2. The system's security and control features are inadequate. For example, claims processor identification does not tie-in with their user identification and password at the operating level. The claim processors' identification is predetermined by the administrator at the application level.

3. DOES did not provide adequate oversight over contractor services. For example, there is an over reliance on contractors without an efficient in-house technical capability to monitor contractor services.

Recommendations

The DOES director should immediately implement the following recommendations:

1. Develop policies and procedures to continually assess the business requirements of the Unemployment Compensation Program and modify the DOCS to meet current environment. This will ensure system efficiency and effectiveness in service delivery.

2. Review the system's security and control features to ensure that they are adequate.

3. Develop an in-house technical team to provide oversight and to monitor contractor activities.

Summary of Management's Comments

The Director of DOES concurred with findings #2 and #3. He indicated that the Department has either implemented or developed a plan to implement the recommendations related to those findings. He disagreed with finding #1 because, in his opinion, the cost to implement the recommendations would be cost prohibitive for the District. However, he indicated that some of the recommendations have been implemented and funding to implement the other recommendations are being sought from the U.S. Department of Labor and other sources.

Full text of Management response to the findings and recommendation is attached to this report as Appendix B.

Evaluation of Management's Comments

We commend DOES efforts to implement many of the recommendations noted. We recommend that the Department continue its ongoing efforts to secure additional funding to implement the other recommendations in a timely manner.

We recommend that the Office of the Inspector General perform a follow-up review to ensure that recommendations are implemented and new controls are put in place by DOES to improve efficiency and effectiveness of the DOCS.

Our evaluation of the Management comments on each of the findings and recommendations are listed as Appendix A.

Appendix A
Evaluation of Management Comments
on Findings and Recommendations

Review of Unemployment Benefit System, the District's On-line Compensation System within the DOES
Summary of Findings and Evaluation of Management Response

Finding	Effect (So What?)	Recommendation	DOES Response	Evaluation of DOES Response	Finding Status
1. System outdated for Current Environment.	DOES will not be able to analyze trends and patterns for decision-making purposes. The system does not display information in a manner as to promote efficiency, effectiveness and user friendliness common to such technology.	Develop policies and procedures to continually assess the business requirements of the Unemployment Compensation Program and modify the DOCS to meet current environment.	DOES disagrees with the recommendations to correct the conditions because of cost implications. Some of the recommendations have been implemented and funding to implement other recommendations are being sought from the U.S. Department of Labor and other sources.	DOES management response is adequate.	Resolved. Follow-up review is recommended to ensure recommendations are fully implemented.

Review of Unemployment Benefit System, the District's On-line Compensation System within the DOES
Summary of Findings and Evaluation of Management Response

Appendix A

Finding	Effect (So What?)	Recommendation	DOES Response	Evaluation of DOES Response	Finding Status
2. The system's security and control features are inadequate.	This exposes the system to transactions without an adequate audit trail.	Review the system's security and control features to ensure that they are adequate.	Management concurs with the finding. Two audit screens indicating the terminal ID for every data entry transaction have been provided.	DOES management response is adequate.	Resolved. Follow-up review is recommended to ensure recommendations are fully implemented.

Review of Unemployment Benefit System, the District's On-line Compensation System within the DOES
Summary of Findings and Evaluation of Management Response

Finding	Effect (So What?)	Recommendation	DOES Response	Evaluation of DOES Response	Finding Status
3. Contractor activities are not monitored	All required services or system features may not be provided, and quality of services may be compromised.	Develop an in-house technical team to provide oversight and monitor contractor activities.	Management concurs with finding. DOES has hired a Chief Information Officer. There are plans to hire DOES application and system programmers.	DOES management response is adequate.	Resolved. Follow-up review is recommended to ensure recommendations are fully implemented.

Appendix B
Full text on Management response
to findings and recommendations

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Employment Services

★★★
===
===

Gregory P. Irish
Office of the Director

Charles C. Maddox, Esq.
Government of the District of Columbia
Inspector General
717 14th Street, N.W.
Washington, D.C. 20005

Dear Mr. Maddox:

Enclosed is the Department's response to the draft report on the audit of the District On Line Compensation System (DOCS), the automated unemployment compensation benefit system that was implemented in November 1999.

Staff may direct any questions with regard to this response to ███████████, Associate Director for the Office of Unemployment Compensation. ███████████ may be reached at ████████.

Sincerely,

Gregg Irish
Director

Enclosure

COMMENTS IN RESPONSE TO DRAFT AUDIT ON DOES's
AUTOMATED UNEMPLOYMENT COMPENSATION BENEFIT SYSTEM

We have carefully reviewed the draft audit on the Department of Employment Services' automated unemployment compensation system. This system, known as the District Online Compensation System (DOCS), was implemented in November of 1999 by On Point Technology, Inc. This contractor continues to provide technical assistance and maintenance for DOCS.

Our comments responding to each of the three findings of the draft reports are as follows:

Finding # 1: System Outdated for Current Environment

We strongly disagree with this finding. Every other automated unemployment compensation benefit system currently in production in the fifty states, Puerto Rico and the Virgin Islands is, like DOCS, a mainframe as opposed to a window based system. Automated unemployment compensation systems are complicated, with multiple programs, files and screens. DOCS has approximately one thousand programs, sixty three files and some two hundred display and data entry screens. Converting such a complicated system from mainframe to window based would have been, for the District, cost prohibitive. To illustrate this point, Colorado has set aside $35 million for this process, Kentucky has already expended $23 million in development costs, and Illinois has committed $8 million merely for a study to determine technical direction.

Automated benefit systems in other states typically have some window based components. These are mainly in the area of customer applications, such as initial claim filing through the internet (currently, ten states offer this option to claimants, according to the latest survey by the Information Technology Support Center). DOCS also has a window based component—its LAN based Appeals subsystem. This has been a feature of DOCS ever since its implementation. The window based appeals subsystem automatically schedules first level appeals and automatically generates hearing notices to claimants, employers and interested parties. The DOCS contractor has also developed an interface with the Department's automated One Stop System. This system, known by the acronym VOS (for Virtual One Stop System), is browser based. The DOCS interface with VOS is scheduled to become operational in August. One of its features will be an internet application which allows claimants to access information about their last four weeks of benefit payments (security will be maintained through use of passwords). Such a web based inquiry is currently operational in only one state—Georgia.

DOES has applied for an automation grant from the U.S. Department of Labor for the development and implementation of internet filing of initial unemployment compensation claims (individual awards in this category are limited to $500,000 and are scheduled to be

announced in August). DOES is also seeking to secure additional funding for this project, as well as other internet applications for employers as well as claimants, from the approximately $6 million in surplus surcharge funds that currently reside in the Interest Account. These funds were initially collected through a surcharge assessed against liable employers in calendar years 1992 and 1993 to pay interest on Trust fund loans from the U.S. Treasury. After the interest on the loans was paid, there remained a surplus of some $5.4 million in the Interest Account. By December 2000 this fund had increased through accrued interest to approximately $7.8 million.

Legislation passed that month authorized DOES to use twenty-five percent of these funds for the administration of the unemployment compensation program. Specifically, these funds were to be used first to make the modifications to the automated tax system required by that same legislation, which permitted household employers to report and pay their unemployment compensation taxes on an annual rather than a quarterly basis (this process will commence in calendar year 2002). The estimated cost for this modification to the automated tax system is $1.1 million. The balance of the funds can be used for the following purposes:

- implementation of an interactive voice response system for check inquiry and processing bi-weekly certifications for benefits;
- internet applications for claimant as well as employer use;
- a cross match with the District's Directory of New Hires

Funding authorized by the December 2000 legislation will not be sufficient to complete each of these critical initiatives. This is why DOES is working to secure additional funding from the Interest Account. DOES also is aware of the pressing need for an imaging and retrieval system for the multitude of unemployment compensation documents that are received from claimants and employers. Funding for this initiative is also being sought from the Interest Account.

The draft report states that DOCS does not feature on line updating. This is incorrect. Data entry transactions in DOCS are immediately updated in real time. (the only exceptions are wage and payment transactions which necessarily are processed in batch).

The draft report correctly indicates that DOCS does not have on-line help features. An on-line software product, Assist GT, was to be utilized for this purpose. The product was purchased but never implemented because DOES lost virtually all of its applications and systems programmers. The draft report also correctly indicates that DOCS has no imaging features. When the RFP was issued in 1993, DOES did have an Optical Character Reader, which was utilized to process bi-weekly claims for benefits. In November of 1999, when DOCS was implemented, this scanning equipment was no longer operational. It should be mentioned, in this regard, that the predominant technology for processing bi-weekly claims is now Interactive Voice Response. Currently, forty-two states are utilizing this technology, which allows claimants to use their telephone to file bi weekly claim forms.

The draft report indicates that DOCS does not have the capability of referencing claims filed prior to November 1999, when DOCS was implemented. This is not correct. Claims were converted going back to 1997. In fact, one of the features of DOCS when implemented was its ability to carry forward to a new claim characteristic data from a prior claim. Because the District traditionally has a large percentage of repeat filers, this feature has significantly reduced the number of key strokes needed to enter a new claim.

Finding # 2: System Security and Control Features Are Inadequate

The draft report correctly notes that there is no link between the user ID within DOCS and the RACF user ID. However, DOCS does provide two audit screens which indicate the terminal ID for every data entry transaction.

The following responses are made to various statements made in the draft report regarding the design of data entry screens:

- As a mainframe system, input screens in DOCS are necessarily populated in a sequentially predetermined order;
- The "claimant age" field could not be edited as suggested. From time to time we do have claimants younger than 18 years (one major example are child actors and actresses) and we routinely have claimants who continue to work beyond their 65th birthday;
- The suggested editing of the zip code field to assure conformity with ward designation is not feasible, because wards can cross zip code lines;
- The suggested editing of Local Office number with the claimant's address (presumably the zip code) is not feasible, since claimants are free to file their claims at any one of our local offices;
- The draft report states that the ERP interval on the initial claim input screen indicates the expected date for reemployment. This is incorrect. The ERP interval is the interval, expressed in number of weeks, that Eligibility Review Interviews will be scheduled for the claimant (the intervals vary from 2 weeks to 13 weeks, with 13 being the default interval).
-

Finding # 3, Lack of Monitoring of Contractor Activities

The finding that DOES does not have adequate in-house technical support to manage and maintain the DOCS system is accurate. However, DOES has hired a Chief Information Officer and there are plans to bring on board DOES application and system programmers.

The draft report makes the point that an assessment review was not performed upon installation of the DOCS system to assure that all required features, as indicated in the

3

specifications/contract, were installed and functional. This assertion is not correct. The Associate Director for the Office of Unemployment Compensation, as Contract Administrator, did monitor the work of the contractor on an ongoing basis to assure that specified features were included in the implemented system.

The draft report specifically cites the non inclusion in DOCS of on-line help features and imaging. However, as indicated earlier in our response, this was not the fault of the contractor. On line help features were to be provided through a software product known as Assist GT. This product allowed for both field specific help screens as well as an on-line access to the User Manual. Assist GT software was purchased by DOES, which had the responsibility of developing the various help screens as well as providing the one line manual. However, because DOES lost virtually all of its applications and system programmers, GT Assist was never made operational. With regard to imaging, the contractor had the responsibility of integrating into DOCS the scanning of bi-weekly claims certifications through the agency's Optical Character Reader. However, this equipment, purchased in the late 1980's was no longer operational when DOCS was implemented in November 1999.